

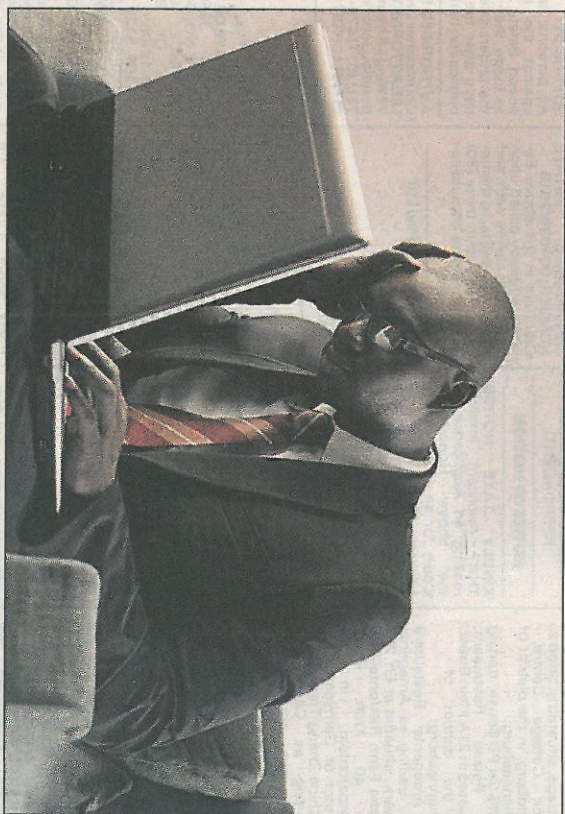
23/3/2018

The Star

LEGALIS



Formidable legal challenges face smaller entrepreneurs



The smaller businessman needs all the help he can get to traverse the maze of legal compliance, says attorney, Nicolene Schoeman-Louw.

LEGALIS WRITER

TIMES are tough – especially for smaller entrepreneurs. To succeed and be legally compliant in the business world, they need “grit” as the Americans say, as well as access to markets – and funding.

Western Cape attorney, Nicolene Schoeman-Louw, of Schoeman-Law Inc., says the problem with accessing sustainable markets is that it often is a David versus Goliath situation resulting in long and complex contracts or requirements.

“What’s more, because smaller businesses tend to be more concerned about making sales or simply making ends meet, getting to the legal side of operations simply does not happen. This leads to businesses being non-compliant and thus viewed as a risk – and as a result they cannot access funding.”

She says small businesses that see legal compliance as a priority are often not in the position to hire attorneys. As a result, their options are:

1. Purchasing a template from a news agency:

Although very cost effective, the problem is that templates are often outdated and the instructions on completion, unclear. “If outdated and incorrectly compiled, businesses are, in my view,

simply better off without such templates. Many businesses do not buy templates but download it from the internet. The problem with this is that the sources are then also often unclear – so in reality the entrepreneur does not know what he or she is getting.”

2. Subscribing to legal insurance or legal consultancy:

These subscriptions providing cover in case legal representation is required are basically insurance policies. “The problem here is that often some disputes are excluded, or important advisory needs are not included resulting in the business being left without access to these services – often when they need it the most.”

“In terms of consultancies, these are business delivery and prices are much more competitive than law firms but should a client be dissatisfied, there is limited recourse. All legal professionals belong to professional bodies that set and enforce standards. So, contracting with a consultant bears the risk of no specific quality standard guarantee and, in case of dissatisfaction, recourse lies in ombudsperson structures or courts and often cost money.”

3. A different way of thinking:

Technology and developments in the legal industry may hold the answer for smaller entrepreneurs. A select few consultancies,

and now also SchoemanLaw Inc. in Cape Town, are using new technology to address a challenge faced by every other purported solution to date.

Some benefits of this new legal assistance service include:

1. Users now have access to up to date legal documents;
2. The documents are instantly accessible and the source is clear;
3. Some systems include sophisticated “help” functions to ensure correct completion and implementation;
4. Systems supported by a law firm are guaranteed the standards and quality associated with a registered practice; and
5. Advisory support is often included, or can be accessed additionally.

“In addition, relying on more efficient ways of accessing these crucial services also standardises, manages and organises the legal and contractual needs of any businesses. It’s a facility that will serve them well whenever they pitch for a major contract and will assist the small businesses to access funding when needing to expand,” Schoeman-Louw adds.

(More information from: telephone 021 425 5604 or www.schoemanlaw.co.za).